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COMMISSION ON TRANSNATIONAL CORPORATIONS
Eighteenth session
23-25 January and 8-15 April 1992
Agenda item 10

ADOPTION OF THE REPORT OF THE COMMISSION ON THE SECOND PART OF ITS EIGHTEENTH SESSION

Rapporteur: Mr. Wojciech PONIKIEWSKI (Poland)

Draft report

Addendum

Chapter ___

INTERNATIONAL ARRANGEMENTS AND AGREEMENTS RELATING TO TRANSNATIONAL CORPORATIONS

1. The Commission considered item 6 of its provisional agenda at its seventh and eight meetings, on 10 and 13 April 1992. It had before it the report of the Secretary-General on the international framework for transnational corporations (E/C.10/1992/8).

2. The Assistant Director of Transnational Corporations and Management Division in her introductory remarks, noted that one of the main tasks assigned to the Commission on Transnational Corporations was to examine how transnational corporations interacted with States and to seek generally accepted standards for their activities and their treatment by Governments, with a view to facilitate their interaction with Governments. Although an agreed global set of standards had not yet emerged from these efforts, the work of the Commission had significantly contributed to a broad consensus on most issues. She stressed that the policy environment for foreign investment in developing countries and Central and Eastern European States had changed dramatically in recent years, mainly in response to changing economic conditions. Those changes reflected not only changing perceptions of the role

of investors and Governments and the impact of market forces, but also new challenges that an international framework should address. Consequently, the report of the Commission on that agenda item for the current year attempted to provide a realistic analysis of the existing international framework on foreign direct investment and its relevance for present policy concerns in the area. The report found that most basic principles, which had been already established in previous decades remained valid, though the manner in which some of those standards were now being used, interpreted and applied by Governments and transnational corporations in the pursuance of their current policy objectives might be different. At the same time, the enormous turnabout in the prevailing economic climate in Eastern Europe and in many developing countries had given a new perspective to traditional issues and defined other important ones. Increased, if not new, emphasis was now being placed on the regulation of certain aspects, such as privatization and competition. The need for adequate supervision of international securities exchange and financial markets had been emphasized by recent events. Similarly, the problem of corrupt practices in international transactions was not new but, in many respects, it had been aggravated by the complexity of current economic exchanges. Those trends and the variety of instruments originating from the intensified normative activity that was now taking place within and between regional institutions enhanced the need for elaborating a comprehensive, balanced and universal framework of principles and standards affecting foreign direct investment and transnational corporation activity. A global framework would thus integrate and consolidate what had been achieved so far and would address also the new issues arising in the international agenda.

3. There was no discussion under this agenda item, although several delegations referred to the issues related to international arrangements and agreements under other agenda items.

Chapter ___

QUESTION OF EXPERT ADVISERS

4. The Commission considered item 8 of its provisional agenda at its 8th meeting, on 13 April 1992.

5. The Director of Transnational Corporations and Management Division indicated that the selection of expert advisers to the Commission on Transnational Corporations, which took place every two years, was one of the tasks before the Commission at the present session. He observed that the group of independent experts was a unique feature of the Commission. It was created to assist the Commission and the Centre in providing advice on matters under consideration. In that way, the multidisciplinary nature of the Commission was enhanced. As in the past, the present group of expert advisers had contributed in significant ways to the implementation of the Commission's mandate and were also helpful in designing and interpreting major aspects of the Centre's work programme. The Director expressed his gratitude in particular to those expert advisers who were retiring at this session for their dedication to the goals of the Commission and for so generously sharing their knowledge and experience.

6. He then referred to the nominees for expert advisers. He observed that the names of candidates from business and other backgrounds were not included, since their nominations could not be confirmed in time before the meeting. Therefore, he proposed that the Commission leave those positions open and authorize the Director of the Division, in consultation with the Chairman of the Commission, to fill those positions as soon as the nominations were confirmed.

Action taken by the Commission

7. The Commission:

(a) Thanked the retiring expert advisers for their valuable contribution and decided to select the following expert advisers to serve until the end of the twentieth session:

Academic background

Mr. Peter HANSEN (Denmark)	Born:	1941
	Education:	Ph.D., Economics, Law and Politics, Aarhns University
	Present post:	Professor at the Copenhagen School of Economics

	Posts held:	Executive Director of the United Nations Centre on Transnational Corporations; Professor of Social Sciences, Odense University; Assistant Professor, Odense University
Mr. Ivan IVANOV (Russian Federation)	Born:	1934
	Education:	Ph.D., Economics, University of Moscow
	Present post:	Deputy Director, Institute of Foreign Economic Studies, Moscow
	Posts held:	Chief of Economics Department, State Foreign Economic Commission of the Soviet Council of Ministers; Professor at the Institute of World Economy and International Relations, Moscow; UNCTAD Secretariat, Economic Affairs Officer; Institute of the United States and Canadian Studies, Moscow, Chief of Division

(b) Authorized the Director of the Divison, in consultation with the Chairman of the Commission, to fill in the positions of other vacant posts for expert advisers as soon as the nominations are confirmed.